

Article 59.

Registered Policies.

§ 58-59-1. Deposits to secure registered policies.

Any life insurance company, incorporated under the laws of this State, may deposit with the Commissioner securities of the kind authorized for the investment of the funds of life insurance companies, which shall be legally transferred by it to him as Commissioner and his successors for the common benefit of all the holders of its "registered" policies and annuity bonds issued under the provisions of this Article; and these securities shall be held by him and his successors in office in trust for the purposes and objects specified herein.

All securities offered to the Commissioner for deposit under this section shall be received and held pursuant to regulations promulgated by the Commissioner. (1905, c. 504, s. 12; Rev., s. 4780; 1909, c. 920, ss. 1, 2; 1911, c. 140, s. 1; 1917, c. 191, s. 2; C.S., s. 6467; 1945, c. 379.)

§ 58-59-5. Additional deposits may be required.

Each company which has made deposits herein provided for shall make additional deposits from time to time, as the Commissioner prescribes, in amounts of not less than five thousand dollars (\$5,000) and of such securities as are described in the preceding section [G.S. 58-59-1], so that the admitted value of the securities deposited shall equal the net value of the registered policies and annuity bonds issued by the company, less such liens not exceeding such value as the company has against it. The Commissioner shall annually value or cause to be valued such policies and shall prepare an estimate based upon probable changes in the minimum amounts to be kept on deposit for each month of the ensuing year. (1905, c. 504, s. 15; Rev., s. 4781; 1909, c. 920, s. 3; 1911, c. 140, s. 2; 1917, c. 191, s. 3; C.S., s. 6468; 1945, c. 379; 1991, c. 720, s. 4.)

§ 58-59-10. Withdrawal of deposits.

Any such company whose deposits exceed the net value of all registered policies and annuity bonds it has in force, less such liens not exceeding such value as the company holds against them, may withdraw such excess or it may withdraw any of such securities at any time by depositing in their place others of equal value and of the character authorized by law; and as long as such company remains solvent and keeps up its deposits, as herein required, it may collect the interest and coupons on the securities deposited as they accrue; and any life insurance company may withdraw such securities by and with the consent of the policyholder only; and in case of such withdrawal, the certificate of registration in each case must be surrendered for cancellation, or a receipt from the policyholder, satisfactory to the Commissioner, must be produced before such withdrawal of deposits shall be allowed. (1905, c. 504, s. 18; Rev., s. 4782; 1911, c. 134; C.S., s. 6469; 1991, c. 720, s. 4.)

§ 58-59-15. Record of securities kept by Commissioner; deficit made good.

The Commissioner shall keep a careful record of the securities deposited by each company, and when furnishing the annual certificates of value required in this Article, he may enter thereon the face and market value of the securities deposited by such company. If at any time it appears from such certificate or otherwise that the value of securities held on deposit is less than the net value of the registered policies and annuity bonds issued by such companies, it is not lawful for the Commissioner to execute the certificate on any additional policies or annuity bonds of such

company until it has made good the deficit. If any company fails or neglects to make such deposits for 60 days the Commissioner may suspend its license to do business until such deposit be made. (1905, c. 504, s. 16; Rev., s. 4784; C.S., s. 6471; 1945, c. 379; 1991, c. 720, s. 4.)

§ 58-59-20. Registered policies certified.

After making the deposits provided for in this Article no company may issue a policy of insurance or endowment or an annuity bond known or designated as "registered" unless it has upon its face a certificate in the following words: "This policy or annuity bond is registered and secured by pledge of bonds, stocks, or securities deposited with this Department as provided by law," which certificate shall be signed by the Commissioner and sealed with the seal of his office. Such policies and bonds shall be known as "registered" policies and annuity bonds, and a sample copy of such kind, class, and issue shall be kept in the office of the Commissioner. All policies and bonds of each kind and class issued, and the copies thereof, filed in the office of the Commissioner must have imprinted thereon some appropriate designating letter, combination of letters or terms identifying the special forms of contract, together with the year of adoption of such form, and whenever any change or modification is made in the form of contracts, policy, or bond, the designating letters or terms and year of adoption thereon shall be changed accordingly. (1905, c. 504, s. 13; Rev., s. 4785; C.S., s. 6472; 1991, c. 720, s. 4.)

§ 58-59-25. Power of Commissioner in case of insolvency.

If at any time the affairs of a life insurance company which has deposited securities under the provisions of this Article, in the opinion of the Commissioner, appear in such condition as to render the issuing of additional policies and annuity bonds by such company injurious to the public interest, the Commissioner may take such proceedings against the company as are authorized by law to be taken against other insolvent companies, and said companies are in all respects subject to the provisions of law affecting other companies. (1905, c. 504, s. 20; Rev., s. 4788; C.S., s. 6475; 1991, c. 720, s. 4.)

§ 58-59-30. Fees for registering policies.

Every company making deposits under the provisions of this Article must pay to the Commissioner for each certificate on registered policies or annuity bonds, including seal, a fee of fifty cents (50¢) for those exceeding ten thousand dollars (\$10,000) in amount and twenty-five cents (25¢) for all under ten thousand dollars (\$10,000) in amount, except policies for one hundred dollars (\$100.00) and not exceeding five hundred dollars (\$500.00) the fee shall be fifteen cents (15¢); for policies of one hundred dollars (\$100.00) or less the fee shall be ten cents (10¢). (1905, c. 504, s. 21; Rev., s. 4789; C.S., s. 6476; 1945, c. 379; 1991, c. 720, s. 4.)

§ 58-59-35. Registration of policies.

After January 1, 1947, the Commissioner shall not register any new policies that are issued by any company, nor accept any deposits covering reserves on business thereafter written. (1945, c. 379.)